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Senate passes measure to encourage lower prices and more access to cable for consumers

Industry leaders expected to invest more than \$1 billion and hire more than 4,000 workers

LANSING—The state Senate on Tuesday approved legislation that opens up competition for local communities' cable and video-service franchises, ending decades of near monopolies in the industry. House Bill 6456 is expected to lower cable rates for consumers and stimulate thousands of jobs and billions in investment in the state.

"Cable consumers will benefit from increased competition and choice," said Sen. Nancy Cassis, R-Nov. "Ensuring a level and competitive playing field is the best way to encourage investment and access to cable services."

The bill creates a system of uniform local franchising for video service providers, leveling the playing field for franchise rights. It will promote competition and lower cable rates by fostering quicker deployment of services and streamlined governmental oversight.

"Our goal was to foster an environment where services can be provided to consumers at a reasonable rate," Cassis said. "I am confident this measure will do this consistent with the principles of a free-market economy."

AT&T has stated it will invest up to \$1.2 billion in Michigan and hire as many as 2,000 people in the next two to three years if the bill becomes law. The cable industry has indicated it will hire 2,000 workers. The industry has invested \$5 billion in Michigan since 1996 in preparation for this legislation.

Under the proposal, cable companies will no longer need to negotiate 1,200 separate cable agreements for municipalities throughout the state. Instead, a uniform franchise agreement could be in place in 30 days. Cassis offered an amendment that would have prohibited cable companies from abrogating current contracts until a minimum of 5% of the local franchise area was considered competitive, but it did not pass.

“Obviously, I think it would have improved the bill and added an extra layer of protection for local communities,” said Cassis. “But the final bill is still a win-win for residents, communities and cable service providers.”

New technologies have changed the cable landscape. Today companies can deliver high-speed Internet access and digital television channels in ways that weren’t available a few years ago. Legislators said it was time to update the law to reflect the new technologies surrounding video service delivery.

HB 6456 will now be sent to the governor for her signature.

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